# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION
# LOK SABHA

UNSTARRED QUESTION NO:4157
ANSWERED ON:18.08.2000
INCENTIVES TO SUGAR INDUSTRY
ASHOK NAMDEORAO MOHOL

**Will the Minister of CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:**

(a) whether the present incentives and discounts are not sufficient for the domestic sugar industry to fight with its bad condition;

(b) if so, the details of incentives/discount being given to sugar industry at present;

(c) whether the Planning Commission has recommended and urged the Government to provide some special assistance/incentives to domestic sugar industry;

(d) if so, the details thereof; and

(e) the action taken by the Government thereon?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD )

(a) & (b) : In order to make the new/expansion projects viable, Government have beengranting incentives in the form of extra free sale quota over and above the normal free sale quota to New and Expansion projects licensed before 11.9.98.

Further Government have taken the following steps to improve the viability of the sugar industry.

(i) The ratio of levy to free sale sugar has been changed from 40:60 to 30:70 with effect from 1.1.2000.

(ii) Duty on imported sugar has been raised to 60% with effect from 9.2.2000 so that domestic prices remain stable;

(iii) The imported sugar has been brought under the release mechanism;

(iv) Levy @ 30% on the stocks of imported sugar held by the importer has been imposed with effect from 17.2.2000.

(v) 10 lakh tonnes of sugar has been allowed for export.

(c) No, Sir.

(d) & (e) : Do not arise.